

ATTACHMENT 2

PLACER UNIT OPERATING AGREEMENT

THIS PLACER UNIT OPERATING AGREEMENT (this "Agreement") is made effective and adopted as of February 1, 2011 (the "Effective Date"), by ASRC Exploration, LLC, an Alaska limited liability company ("AEL").

RECITALS

- A. AEL has entered into the PLACER UNIT AGREEMENT, hereinafter referred to as "Unit Agreement."
- B. AEL has adopted this Agreement pursuant to Section 7.1 of the Unit Agreement.
- C. AEL owns a 100% interest in the oil and gas leases described and identified in Exhibit 1 attached hereto and made a part hereof, which are depicted on the plat attached as Exhibit 2.
- D. AEL desires to provide for exploration and development Operations on said leases.
- E. AEL will conduct those Operations.

ARTICLE 1. DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning stated in this Article 1.

AEL is defined in the preamble.

Agreement is defined in the preamble.

Commissioner means the Commissioner of the Department of Natural Resources, State of Alaska, or the Commissioner's authorized representative.

Lease Burden means the royalty, net profits or other interest reserved to the lessor in any oil and gas lease, or an overriding royalty, production payment, or other similar burden.

Leasehold Interest means the ownership in the oil and gas leases identified in Exhibit 1.

Participating Area means that reservoir that is part of the Subject Lands that is reasonably proven by drilling and completion of producible wells, geological and geophysical information, and engineering data to be capable of producing hydrocarbons in paying quantities, and is approved as such by the Commissioner.

Participating Interest means a Working Interest Owner's percentage of participation in the cost, risk, and rewards of an Operation conducted pursuant to this Agreement.

Production means all oil, gas, gaseous and liquid hydrocarbons, condensate, distillate, sulfur contained in gas, and all associated and constituent liquid or liquefiable hydrocarbons that may be produced and saved or sold from the Subject Lands or Unit Area.

Subject Lands means all the oil and gas leases that are described on Exhibit 1.

Working Interest means the operating interest under an oil and gas lease.

Working Interest Owner means a Party to this Agreement that owns a Working Interest in the lease.

Unit Area means the area within the Placer Unit, as approved by the Commissioner, which includes all or a portion of the Subject Lands and is subject to the Placer Unit Agreement.

Unit Agreement is defined in the recitals.

ARTICLE 2. EXHIBITS

- Exhibit 1 Oil and Gas Leases Subject to the Agreement
- Exhibit 2 Plat of Subject Lands and Unit Area

ARTICLE 3. SCOPE OF AGREEMENT, COMMITMENT OF INTEREST, APPORTIONMENT OF COSTS, AND OWNERSHIP OF PRODUCTION AND PROPERTY

3.1. Scope of Agreement. This Agreement is intended to govern any and all Operations that are part of or necessary for exploring and developing the Subject Lands.

3.2. Commitment of Interests. AEL hereby subjects and commits to this Agreement all of its Working Interests in the Subject Lands.

3.3. Apportionment and Ownership. All costs and liabilities incurred in the conduct of each Operation under this Agreement shall be borne by AEL. All Production from a well or wells, subject to any Lease Burdens and to the relinquishment, reversion, and other provisions hereof, shall be owned by AEL. All materials, equipment, facilities and other property, whether real or personal, acquired hereunder, shall be owned by AEL.

ARTICLE 4. LEASE BURDENS

AEL will pay all Lease Burdens that may become due and payable on the Subject Lands.

ARTICLE 5. OPERATIONS

5.1 AEL shall direct and have control of all Operations conducted hereunder and shall conduct all such Operations in compliance with the Unit Agreement.

5.2 AEL shall notify the Commissioner of actions taken by AEL under this Agreement as may be required under a Lease, the Unit Agreement, or applicable laws or regulations.

5.3 No removal of AEL as the operator will be effective until: (a) AEL notifies the Commissioner; and (b) the Commissioner approves a successor operator. Any successor operator shall accept the rights and obligations as operator in writing. The successor operator will file an executed copy of the designation of successor with the Commissioner.

ARTICLE 6. PARTICIPATING AREAS

AEL may initiate a proposal for the establishment or revision of a Participating Area. AEL shall have 100% of the Participating Interests in any Participating Area.

ARTICLE 7. UNIT PLANS OF EXPLORATION AND DEVELOPMENT

Each unit plan for the exploration or development of the Unit Area shall be submitted by AEL to the Commissioner in accordance with the Unit Agreement.

ARTICLE 8. AMENDMENTS AND JOINDERS

6.1 Complete copies of any amendments to this Agreement, including all other agreements by AEL that affect the rights and duties under this Agreement, must also be filed with the Commissioner within 30 days of execution and at least 30 days before their effective dates.

6.2 The Commissioner may order or, upon request, approve a joinder to this Agreement under the expansion provisions of Article 13 of the Unit Agreement.

ARTICLE 9. EFFECTIVE DATE AND TERM

This Agreement is adopted by AEL as of the Effective Date and shall remain in effect from such Effective Date and for so long as AEL retains a Leasehold Interest in any of the Subject Lands.

IN WITNESS OF THE FOREGOING, ASRC Exploration, LLC, has executed and adopted this Unit Operating Agreement as of the Effective Date.

WORKING INTEREST OWNER

ASRC Exploration, LLC

By: Teresa Imm
Teresa Imm
Its manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

This certifies that on the 8th of MARCH, 2011, before me, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared Teresa Imm, to me known to be the manager of ASRC Exploration, LLC, the limited liability company that executed the foregoing agreement and acknowledged the agreement to be the free and voluntary act of and deed of the limited liability company, for the uses and purposes therein mentioned

WITNESS my hand and official seal the day and year in this certificate first above written.



Retsy M. Stoupe
NOTARY PUBLIC in and for Alaska
My Commission Expires: 1/26/2012